

Announcement of the Administrative Committee of TMEDE (the Fund)

Annual report on financial statements for the second period of operation of the Fund from 1/1/2018 until 31/12/2018 according to International Financial Reporting Standards

The Fund's second annual report on financial statements for the period from 1/1/2018 until 31/12/2018 was announced following the finalization of the Audit of the Certified Auditors Accountants and the issuance of the corresponding Independent Auditor's Report with Unqualified Opinion.

During the financial year 2018, the Fund increased the issues of new letters of guarantee by 15,8%, except from the participation letters of guarantee. Letters of guarantee pertain to small and medium size work contractor and research companies, freelancers such as engineers and/or public works contractors, while all the necessary procedures have been followed and all additional collaterals provided by the Fund for the purpose of granting good performance letters of guarantee were issued with a view to limiting the undertaken risk.

Following the Fund's statutory provisions and implementing the International Financial Reporting Standards, the second financial year of the Fund operations from 1/1/2018 until 31/12/2018 presents on-going upward course of development through expanding its turnover and achieving positive results.

In fact, since August 1st, following the actions undertaken by the Management of the Fund and in accordance with its statutory provisions, the Fund, for the first time, provides specialized insurance coverage, tailored to the specific risks faced by the technical professions, thus expanding contributory actions for its Active Members, through the new Group Insurance Plan, created and based on two pillars: "Professional Civil Liability" and "Life - Health".

In addition, recently, the transfer of all current and non-current assets from EFKA (former ETAA, TSMEDE) to the Fund has been completed.

It is also to be noted that for the first time in its history, the Fund is an equal and active member of the European Association of Guarantee Institutions (AECM), which significantly strengthens the prospects for small and medium-sized entities and freelancers in Greece.

Moreover, following the finalization of digital transformation through the use of applications, such as e-Guarantee, e-Validate, e-Procurement and e-Protocol, in line with the electronic submission of financial proposals for public interest projects, the Fund makes it possible for the technical world and the Greek scientists to obtain equal development in the context of transparency.

In 2018, the Fund increased its revenue, maintained its expenses at a comparable level, significantly expanded its operations and added new capitals to its Balance Sheet, thus protecting it against potentially arising future risks, making the necessary provisions based on the requirements of IFRS 9.

Thus, for the second successive year, it is confirmed, that the Fund constitutes a necessary, operational and vital importance to the Technical World and a strong growth multiplier to the Greek economy.

In particular:

1. The Fund increased its revenue by 1.7% versus the first year of its operation, i.e. 2017.
2. It maintained its expenses at the same level as that on comparable basis. It is to be noted that within the first year of its operations, i.e. 2017, the Fund was burdened with operating expenses only for 8 months, since recruitments of its personnel had not been finalized.
3. It significantly expanded the issue of new letters of guarantee by 15,8%. It is to be noted that the increase in the new good performance letters of guarantee is approximately 18,9% and will significantly affect the results of the following years.
4. In the current financial year and in compliance with the provisions of IFRS 9, mandatory effective as of 1/1/2018, which affect the Fund's financial assets pertaining to guarantees and credits, the necessary provisions of € 11.9 million were made. These provisions directly affect the Fund's reserves, which, still remain positive, notwithstanding such charges and do not affect the Fund's Capital. It is to be noted that making provisions for potential future calls enhances the Fund's financial position overtime and safeguards it against future risks.
5. Earnings before tax are increased versus last year and on comparable basis by 10%.
6. Earnings after tax are increased by 64.4% after the reversal of unnecessary provisions.
7. On consolidated basis, in 2018, the Funds total capital stood at € 114.9 million versus € 83.9 million, as recorded in the financial statements as of 2017.
8. Finally, the Fund's capital stood at € 108.4 million versus € 70.2 million following the transfer of assets of € 38.2 million to the Fund, performed within 2018 from the "Unified Social Security Body" ("EFKA."), with capital being increased by 54%. Such transfers will be finalized within 2019, ensuring the significant role of the Fund in the development of the economy through sound operation of the Organization's Guarantee and Credit Segments, as well as the possibility of expanding the Fund's operation, which will substantially benefit and assist small and medium-sized entities, freelancers and Greek scientists.